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draw any well-defined distinction between state and interstate traffic. If the states must limit their regulation of rates to the establishment of charges that would be profitable were the business done by the railroads within the state performed without reference to the interstate traffic of companies, the legal rate minima to which the states will be limited will be so high as practically to free the railroad companies from any effective regulation of railway charges upon intrastate traffic. This fact might well have been considered in the discussion of *Smyth v. Ames*.

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*The Shifting and Incidence of Taxation.* By EDWIN R. A. SELIGMAN. Second Edition, completely revised and enlarged. Pp. xii and 337. Price, \$3.50. Published for the Columbia University Press by the Macmillan Company. New York, 1899.

The Columbia University Press makes a stately volume of the second edition of Professor Seligman's "Shifting and Incidence of Taxation." The new edition does high honor to the Columbia series, as did the first to the Publications of the American Economic Association. For seven years this work has been one of the indispensable hand books of all students of public finance. Since its appearance no important work on taxation has been published in any country which has not paid deference to the scholarship displayed in this volume; for this reason, as well as for the new thought which it contains, the second edition is assured a hearty welcome. We shall gladly substitute the new volume for the thumb-worn copy of the familiar pamphlet.

The book has been enlarged both extensively and intensively; that is to say, much new matter has been added, especially in the historical part, and the theoretical discussion has been enlarged and deepened. It is hard to say which of the additions is most significant. The most numerous and important additions to the historical part of the book are seen in the list of early English and early French writers. The few pages devoted to the early theories in the first edition have been expanded into "Book I, Part I," and now cover ninety interesting pages. Thus, for example, the discussion of the general excise is clearly traced to its origin and the works of some thirty writers who treated that subject are analyzed. The result is to give us a very clear picture of the development of thought along these lines. The discussion of the physiocratic theory is now placed at the beginning of a "Book" dealing with modern theories. This is an improvement on the rather stereotyped treatment of those ideas in the first edition.

We now have long reviews of the works of Quesnay, Mercier de la Rivière, Du Pont de Nemours and Turgot, so far as they relate to the incidence of taxation. And so, throughout the work, there is scarcely a page in the historical part that has not been enriched.

In some cases, notably in the chapter on the mathematical theory, some of the authors whose works have appeared since the first edition are discussed. This affords the author a rare chance to answer some of his critics. In connection with the name of Professor Edgeworth, for example, the author has taken occasion to pay his respects to the mathematical method as such. His conclusion is well worth noting and will undoubtedly call forth some replies. It is that this method is of no use for research, that the results obtained could be obtained just as surely and more rapidly by the ordinary methods and that, on the whole, mathematics can be usefully applied only for purposes of illustration.

In the theoretical discussion we find, first, that there is an entirely new chapter dealing with the "general principles." This is a development to some extent of the general discussion which in the old edition preceded the analysis of the incidence of taxes on profits. It constitutes a very important addition to the treatise. The problem of incidence is characterized as "primarily a question of prices," a part of the wider theory of value. Taxation affects prices through more or less subtle changes in supply and demand. Prices cannot be changed for a mere whim or because men *wish* to throw off the burden of taxation. They can be changed only through an alteration in the supply or in the demand, or in both. There can in the nature of things be no question of shifting unless there be an exchange of some kind or other. The "general principles," therefore, are reduced to a discussion of the effects of the different methods of taxation upon the demand and upon the supply of different commodities.

Possibly the most extensive changes are in the chapter on Taxes on Profits. It is around this chapter, especially in its bearing on monopoly profits, that the bulk of the more recent discussion has taken place. The slip in the first edition so often pointed out, where the statement was made that a tax on the gross receipts of monopoly could never be shifted, is corrected. The conclusion reached is summed up by the author as follows:

"The incidence of a tax on monopoly revenue is always on the producer, except in the case where the tax is proportioned to the amount produced or sold, in which case the tax is ordinarily shifted in whole or in part, although even there, under certain conditions, the tax may remain on the monopolist producer; a general tax on competitive profits, whether fixed or proportional to net receipts, rests on the producer; a special tax on competitive net receipts is ordinarily shifted to the consumer; and a roundabout tax on competitive profits, in the shape of a tax on gross

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receipts or gross produce, may or may not be shifted to the consumer—with the probability that, in the great majority of cases, the whole, or almost the whole, of the tax will be so shifted" (p. 293).

Professor Seligman's study of "shifting and incidence" has taken a permanent place in the science of finance. So far as the guiding principles can possibly be formulated they are set forth in this work. The author is not dogmatic; he does not attempt to formulate natural laws, nor does he strive after over-precision. But with these principles to guide us we can safely proceed to investigate the maze of the actual operations of the different taxes in use. Almost innumerable taxes, combined in as many different ways, make up the tax systems of the different countries, and without a complete analysis of the incidence of each tax we can form no proper opinion as to the effect of any system or of its justice. Professor Seligman offers us the key to the puzzle.

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*Origin and Growth of the English Constitution.* An Historical Treatise. By HANNIS TAYLOR. Two Volumes. Pages 616 and 644. Price, \$9.00. New York; Boston: Houghton, Mifflin & Co., Fourth edition of Volume I, 1896, and Volume II, 1898.

To a German or French scholar it would doubtless appear strange that a book of this type should pass through four editions within a period of less than ten years. The work is large, expensive and even technical, while the critics have generally recognized it as a compilation rather than an original investigation. It adds nothing to our ultimate knowledge of the subject, and its popularity therefore testifies strongly to the devotion of the English-speaking people to their form of government and to their book-buying capacity.

"The Origin and Growth of the English Constitution" is distinctly a popular work. We need not look to it for new information or new ideas on the constitutional development of England. This being understood, it must in justice be stated that the work is on the whole well done. It has a certain tone of positiveness on points which the scholar knows must always remain doubtful, an occasional lack of consistency, arising from quotations having been made at one time from one author and at another time from another, certain anachronisms, as that of speaking of the "nation marshaled into the ranks of the three estates," at the time of the Great Charter, which are perhaps inseparable from the plan of the book. But considered as a whole, it excels in continuity of plan and style. The explanations are clear, the narrative spirited, and the language even brilliant. Its fullness of detail is also quite remarkable.